

Real estate firm marketing industrial 'condos'

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Cross & Co. has begun marketing an industrial property on the far Northeast Side.

The twist on the project: The spaces in the building are being marketed for sale.

The property is located at 17357 Bell North Drive in the city of Schertz -- which is just northeast of San Antonio on Interstate Highway 35. The building spans a total of 43,200 square feet.

The property is less than 2 years old, according to Cross & Co. Vice President Ryan Smith, who is marketing the Bell North property. He adds that his firm purchased the building from local developer Brad Galo, who built the property.

Now begins the process of carving the property into smaller spaces for potential users.

"The property will look and function just like any other multitenant service center/warehouse property," Smith says. "However, each individual occupant can own their space."

Smith expects that the project will be attractive to firms that are looking for a mix of office and warehouse space -- although users could also opt to completely finish out their niche within the building for office use.

"We have an enormous amount of flexibility," Smith says.

The sales price for space in the Bell North property is \$90 per square foot -- which includes office space, a restroom, a break room and a large reception area, Smith adds.

Familiar fundamentals

The commercial-condo concept is not new to San Antonio. To date, there are several developers marketing such projects -- especially to potential office and/or medical-office users.

Cross & Co., however, will be a forerunner in bringing the opportunity to own to the warehouse market, Smith says.

"Developers in other markets -- Houston, Dallas, Phoenix -- have been doing this with warehouses for a while," Smith adds. "We are focused on selling (the Bell North space as condos) because we believe there is an untapped market for it."

The fundamentals behind Cross & Co.'s latest industrial project are the same as those who offer commercial condos, Smith continues. Users can own their work space -- which allows them the benefit of building equity -- and share in the other costs associated with the development, including property maintenance.

The goal, Smith says, is to bring in the smaller users that, on their own, could have a hard time building their own space on a cost-efficient basis. Current mortgage rates also make ownership an attractive option, he adds.

And you can't beat Bell North's location; the property is next door to Tri-County Business Park -- a large-scale master-planned development that has, over the years, attracted several industrial developers, including Cross & Co.

Many of the firms located in Tri-County are owned by business people who make their home in San Antonio.

The retail growth in Schertz and the surrounding cities also ensures that business owners in Bell North will have plenty of options when it comes to restaurants, banking and other everyday services, Smith says.

So what are the chances that Cross & Co. will do another warehouse-condo project? "If this one is successful ... we plan to do more," Smith says.



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Ryan Smith of Cross & Co. is marketing the Bell North industrial property in the city of Schertz.
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